Agenda – Executive Policy Committee – March 14, 2018

REPORTS

Item No. 1 2018 Business Improvement Zone Levies

The following proposed Program, Zone Levy and Budget Estimates for 2018 are submitted to the Executive Policy Committee for consideration and recommendation to Council for approval:

- Academy Road Business Improvement Zone
- Corydon Avenue Business Improvement Zone
- Downtown Winnipeg Business Improvement Zone
- Exchange District Business Improvement Zone
- North End Business Improvement Zone
- Norwood Grove Business Improvement Zone
- Old St. Vital Business Improvement Zone
- Osborne Village Business Improvement Zone
- ZAC Boulevard Provencher Boulevard Business Improvement Zone
- Zone d'amélioration commerciale Saint-Norbert Business Improvement Zone
- St. James Village Business Improvement Zone
- Selkirk Avenue Business Improvement Zone
- South Osborne Business Improvement Zone
- Transcona Business Improvement Zone
- West Broadway Business Improvement Zone
- West End Business Improvement Zone

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That Council approve the 2018 Business Improvement Zone budgets and set and impose a zone levy to be applied to the annual rental value of each business within each zone (draft By-law attached).

2. That Council direct the Chief Financial Officer to make payment to the Board of each zone in accordance with the Business Improvement Zone Procedures By-law No. 8111/2002.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the submission of the necessary by-law.

ADMINISTRATIVE REPORT

Title: Approval of Business Improvement Zone Levies - 2018

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Austin	M. Chambers	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

This Administration Report provides information regarding the setting of the 2018 Business Improvement Zone Levy Rates.

This report addresses the 2018 budget levy requirements based on the budget submissions from the 16 business improvement zones.

The Public Service in accordance with the Business Improvement Zone Procedures By-law No. 8111/2002 is recommending that Council approve the 2018 Business Improvement Zone budgets and set and impose a zone levy to be applied to the annual rental value of each business within each zone.

RECOMMENDATIONS

1. That Council approve the 2018 Business Improvement Zone budgets and set and impose a zone levy to be applied to the annual rental value of each business within each zone (draft By-law attached).

2. That Council direct the Chief Financial Officer to make payment to the Board of each zone in accordance with the Business Improvement Zone Procedures By-law No. 8111/2002.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing, including the submission of the necessary by-law.

REASON FOR THE REPORT

In order for each Business Improvement Zone (BIZ) to obtain the revenue required to meet its 2018 budget, Council must impose, by by-law, the zone levy rates (Schedule A) to be applied to the Business Tax Roll for each Business Improvement Zone that submitted a budget for 2018.

IMPLICATIONS OF THE RECOMMENDATIONS

The adoption of the 2018 Business Improvement Zone Levy Rates will authorize the collection of the levy as determined by the City of Winnipeg. There is no financial impact as the Business Improvement Zone levy is revenue-neutral to the City of Winnipeg.

HISTORY/DISCUSSION

Under the *City of Winnipeg Charter* Council may, by by-law, establish a Business Improvement Zone (BIZ) as well as set the policies and procedures for a BIZ including, among other factors, the administrative process for reviewing and approving individual BIZ budgets. This authority was accomplished by enacting the Business Improvement Zone Procedures By-law No. 8111/2002.

The City of Winnipeg has received the 2018 budgets from all of the existing Business Improvement Zones; 16 zones in total.

For the purposes of raising sufficient money for each BIZ budget, a BIZ levy rate has been calculated and will be applied against the Annual Rental Value (ARV) of each business within the Business Improvement Zone (see Schedule A).

Schedule B provides a 2017/2018 comparison of each BIZ budget levy requirement and the BIZ levy rate. The BIZ budget levy requirement changes ranged from a decrease of 0.6% for the Selkirk Avenue BIZ to an increase of 52.9% for the Academy Road BIZ. The BIZ levy rate changes ranged from decrease of 8.5% to an increase of 57.6% for the West Broadway BIZ and Academy Road BIZ respectively.

FINANCIAL IMPACT

Financial Impact Statement

Date: February 20, 2018

Project Name:

Approval of Zone Levy for Business Imporvement Zones

First Year of Program **2018**

	2018	2019	2020	2021	2022
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 5,714,329	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	5,714,329	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

There is no financial impact as the Business Improvement Zone levy is revenue-neutral to the City of Winnipeg.

original signed by

Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

City Clerks Department
Economic Development Branch, Planning, Property and Development Department
Legal Services (for by-law preparation only)

OURWINNIPEG POLICY ALIGNMENT

The Business Improvement Zones are generally aligned with the enabling strategies provided for in OurWinnipeg Policy 01-3: Direction 2.

SUBMITTED BY

Department: Assessment and Taxation
Division: Taxation and Finance
Prepared by: Tim Austin, Manager of Taxation and Finance Services
Date: February 12, 2018
File No: N/A

Attachments:

Schedule A – Annual Rental Value (ARV) and Levy Rates for 2018
Schedule B – 2017/2018 Comparison of Budget Levy Requirements and Levy Rates
Schedule C – Draft Business Improvement Zone Levy Rate by-law

SCHEDULE "A" Annual Rental Value (ARV) and Levy Rates for 2018

BUSINESS IMPROVEMENT ZONES
ANNUAL RENTAL VALUES (ARV) and LEVY RATES
FOR THE YEAR 2018

	Zone	2018 BIZ Budget	Budget Required Through Levy	Levy as % of Budget	2018 ARV	Required Levy Rate	2018 BIZ Levies to be Collected
1	Academy Road	$ 98,654	$ 89,400	91%	$ 2,569,920	3.479%	$ 89,408
2	Corydon Avenue	$ 216,000	$ 216,000	100%	$ 6,958,922	3.104%	$ 216,005
3	Downtown Winnipeg	$ 4,645,510	$ 2,821,992	61%	$ 129,950,360	2.172%	$ 2,822,521
4	Exchange District	$ 840,500	$ 625,000	74%	$ 28,488,060	2.194%	$ 625,028
5	North End	$ 78,800	$ 58,800	75%	$ 4,462,980	1.318%	$ 58,822
6	Norwood Grove	$ 433,100	$ 160,000	37%	$ 11,077,240	1.445%	$ 160,066
7	Old St. Vital	$ 545,350	$ 265,000	49%	$ 8,651,940	3.063%	$ 265,009
8	Osborne Village	$ 474,000	$ 140,000	30%	$ 6,548,100	2.139%	$ 140,064
9	Provencher Boulevard	$ 75,575	$ 60,375	80%	$ 4,358,280	1.386%	$ 60,405
10	St. James Village	$ 137,000	$ 86,894	63%	$ 5,551,980	1.566%	$ 86,944
11	Saint-Norbert	$ 86,375	$ 28,500	33%	$ 1,406,280	2.027%	$ 28,505
12	Selkirk Avenue	$ 43,707	$ 31,296	72%	$ 1,541,640	2.031%	$ 31,311
13	South Osborne	$ 58,000	$ 58,000	100%	$ 2,398,200	2.419%	$ 58,012
14	Transcona	$ 636,747	$ 321,245	50%	$ 12,778,380	2.514%	$ 321,248
15	West Broadway	$ 239,500	$ 165,000	69%	$ 11,873,120	1.390%	$ 165,036
16	West End	$ 923,811	$ 585,864	63%	$ 36,690,380	1.597%	$ 585,945
	TOTAL	$ 9,532,629	$ 5,713,365	60%	$ 275,305,782		$ 5,714,329

Note: The *'budget'* amount could be different from the *'budget required through levy'* as a Business

- may have revenue from other sources;
- may be operating using a prior year's surplus; or
- is required to recover a deficit from the previous year.

SCHEDULE "B" – 2017/2018 Comparison of Budget Levy Requirements and Levy Rates

BUSINESS IMPROVEMENT ZONES
2017 / 2018 COMPARISON
BUDGET LEVY REQUIREMENTS and LEVY RATES

		Budget Levy Requirements				BIZ Levy Rates		
				Change				Change
	Zone	2017	2018	Amount	%	2017	2018	%
1	Academy Road	$ 58,480	$ 89,400	$ 30,920	52.9%	2.208%	3.479%	57.6%
2	Corydon Avenue	$ 211,000	$ 216,000	$ 5,000	2.4%	3.297%	3.104%	-5.9%
3	Downtown Winnipeg	$ 2,758,958	$ 2,821,992	$ 63,034	2.3%	2.219%	2.172%	-2.1%
4	Exchange District	$ 550,000	$ 625,000	$ 75,000	13.6%	1.932%	2.194%	13.6%
5	North End	$ 58,800	$ 58,800	$ -	0.0%	1.323%	1.318%	-0.4%
6	Norwood Grove	$ 155,000	$ 160,000	$ 5,000	3.2%	1.481%	1.445%	-2.4%
7	Old St. Vital	$ 265,000	$ 265,000	$ -	0.0%	3.180%	3.063%	-3.7%
8	Osborne Village	$ 131,200	$ 140,000	$ 8,800	6.7%	1.979%	2.139%	8.1%
9	Provencher Boulevard	$ 60,375	$ 60,375	$ -	0.0%	1.442%	1.386%	-3.9%
10	St. James Village	$ 80,550	$ 86,894	$ 6,344	7.9%	1.661%	1.566%	-5.7%
11	Saint-Norbert	$ 25,000	$ 28,500	$ 3,500	14.0%	1.960%	2.027%	3.4%
12	Selkirk Avenue	$ 31,498	$ 31,296	$ (202)	-0.6%	2.012%	2.031%	0.9%
13	South Osborne	$ 58,000	$ 58,000	$ -	0.0%	2.584%	2.419%	-6.4%
14	Transcona	$ 231,197	$ 321,245	$ 90,048	38.9%	2.108%	2.514%	19.3%
15	West Broadway	$ 165,000	$ 165,000	$ -	0.0%	1.519%	1.390%	-8.5%
16	West End	$ 550,325	$ 585,864	$ 35,539	6.5%	1.595%	1.597%	0.1%
	TOTAL	$ 5,390,383	$ 5,713,365	$ 322,982	6.0%			

SCHEDULE "C" - Draft Business Improvement Zone Levy Rate by-law

THE CITY OF WINNIPEG

BY-LAW NO. /2018

A By-law of THE CITY OF WINNIPEG to approve the budgets of sixteen Business Improvement Zones and, for the purposes of raising money for each zone's approved budget, to impose business improvement zone taxes on each business within each zone at a uniform rate based on the business assessment of each business.

WHEREAS *The City of Winnipeg Charter* authorizes the City of Winnipeg to establish Business Improvement Zones and sixteen such zones have been continued under By-laws No. 8112/2002 to 8115/2002 and 8118/2002 to 8127/2002 and 136/2011 to 137/2011, all inclusive;

AND WHEREAS the Business Improvement Zones continued by these by-laws have complied with the Business Improvement Zone Procedures By-law No. 8111/2002 in submitting a budget for approval by the Winnipeg City Council for the year 2018;

AND WHEREAS one-third or more of the members of any Business Improvement Zone representing one-third of the total business assessment of the zone have not objected in writing to any of the budgets approved by the Business Improvement Zones in accordance with the Business Improvement Zone Procedures By-law No. 8111/2002;

AND WHEREAS *The City of Winnipeg Charter* permits Council by by-law to approve all or part of a zone's budget and to direct payment of an amount not exceeding the amount approved by the board of a zone and further by by-law to impose on each business in the zone a business improvement zone tax at a uniform rate based on the business assessment of the business;

NOW THEREFORE, THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

Short title

1 This By-law may be known as the "2018 Business Improvement Zone Levy By-law".

BIZ budgets approved

2 The Business Improvement Zone budgets attached as Schedules "A" to "P" to this By-law are hereby approved:

Business Improvement Zone	Schedule
Academy Road	Schedule "A"
Corydon Avenue	Schedule "B"
Downtown Winnipeg	Schedule "C"
Exchange District	Schedule "D"

North End	Schedule “E”
Norwood Grove	Schedule “F”
Old St. Vital	Schedule “G”
Osborne Village	Schedule “H”
Provencher Boulevard	Schedule “I”
St. James Village	Schedule “J”
Saint-Norbert	Schedule “K”
Selkirk Avenue	Schedule “L”
South Osborne	Schedule “M”
Transcona	Schedule “N”
West Broadway	Schedule “O”
West End	Schedule “P”

Zone levy rate

3 For the purposes of raising money for the Business Improvement Zones' budgets as set out in Schedules “A” to “P”, business improvement zone taxes, calculated by applying the following rates against the business assessment of each of the businesses in the following Business Improvement Zones, are hereby imposed:

Business Improvement Zone	**Rate**
Academy Road	3.479%
Corydon Avenue	3.104%
Downtown Winnipeg	2.172%
Exchange District	2.194%
North End	1.318%
Norwood Grove	1.445%
Old St. Vital	3.063%
Osborne Village	2.139%
Provencher Boulevard	1.386%
St. James Village	1.566%
Saint-Norbert	2.027%
Selkirk Avenue	2.031%
South Osborne	2.419%
Transcona	2.514%
West Broadway	1.390%
West End	1.597%

Method of Calculation

4 The tax collector shall add the business improvement zone taxes imposed by this By-law to the statement and demand for 2018 business taxes for each business in each zone.

BIZ tax added to supplementary business taxes

5 The tax collector shall add the business improvement zone taxes imposed by this By-law to the supplementary business taxes imposed upon businesses in each of the business improvement zones.

BIZ tax due and payable

6 Business improvement zone taxes imposed by this By-law are due and payable on the same date as business taxes.

Payment directed

7 The following amounts are hereby directed to be paid to the boards of the following Business Improvement Zones on the schedule of payments set out in the Business Improvement Zone Procedures By-law No. 8111/2002:

Business Improvement Zone	**Levy**
Academy Road	$89,400.00
Corydon Avenue	$216,000.00
Downtown Winnipeg	$2,821,992.00
Exchange District	$625,000.00
North End	$58,800.00
Norwood Grove	$160,000.00
Old St. Vital	$265,000.00
Osborne Village	$140,000.00
Provencher Boulevard	$60,375.00
St. James Village	$86,894.00
Saint-Norbert	$28,500.00
Selkirk Avenue	$31,296.00
South Osborne	$58,000.00
Transcona	$321,245.00
West Broadway	$165,000.00
West End	$585,864.00

DONE AND PASSED, this day of , 2018.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
City Assessor

Approved as to form:

_____
For Director of Legal Services and
City Solicitor